WASHINGTON, D.C. - Anthem Insurance Companies will pay the United States $1.5 million to settle allegations that the company overcharged the Federal Employee Health Benefits Program (FEHBP), the Justice Department announced today. The Indiana corporation has served as a contractor within the FEHBP.

The government alleges that Anthem included profit in the cost of certain services billed to the program by a company under common corporate control and improperly calculated the amount of drug rebates due the program. The allegations relate to the period from 1992 through 2002.

"The prosecution of this and similar actions reflects the Department's continuing commitment to ensuring that contractors meet their responsibilities to federal health care programs, including the FEHBP," said Peter D. Keisler, Assistant Attorney General for the Civil Division.

The settlement resolves a qui tam, or whistleblower, suit brought against Anthem under the False Claims Act. Under the Act, private persons, known as "relators," may bring suit on behalf of the United States alleging fraud against the government and, in an appropriate case, receive a share of the proceeds.


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